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SIPDIS

DEPARTMENT FOR AF/E  
LONDON AND PARIS FOR AFRICA WATCHERS

E.O. 12958: DECL: 09/17/2018

TAGS: EAGR ETRD ER

SUBJECT: ERITREA IMPORTS 55,000 METRIC TONS OF GRAIN FROM  
CARGILL

REF: ASMARA 356

Classified By: Ambassador Ronald K. McMullen for Reason 1.4 (d)

¶1. (C) Cargill's representative in Eritrea informed Emboff that on September 27 Eritrea will receive 55,000 metric tons (MT) of grain from Cargill Corporation. According to Cargill, 27,599 MT of sorghum grown in the U.S. was sold to Eritrea for \$421/MT (\$11.6 million). An additional 27,500 MT of wheat from Russia is scheduled to arrive on the same ship. Although he didn't specify the price of the wheat, the Cargill representative said the total dollar amount for both grains was \$27 million; back of the envelope calculations imply a price of \$560/MT. All Eritrean imports are made by the ruling party-owned Red Sea Trading Corporation.

¶2. (C) Cargill extended the Government of the State of Eritrea (GSE) a \$40 million line of credit without bank backing. According to Cargill, the GSE makes prompt payments to Cargill and has an outstanding credit history with the company. Cargill also said that in 2004 it sought permission to invest \$25 million in an outdated grain processing facility in Asmara, but the GSE turned it down. According to the Cargill representative (a former fighter in the Eritrean struggle for independence and very nationalistic) the GSE will not allow investment or development in anything it either does not understand or cannot control.

MCMULLEN